

Senate Study Bill 1182 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON FEENSTRA)

A BILL FOR

1 An Act exempting from the sales tax the sale of instructional
2 materials required for use in a course of instruction at a
3 public or private nonprofit educational institution in this
4 state.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, Code 2017, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 103. *a.* The sales price from the sale of
4 instructional materials required for a course of instruction
5 at a public or private nonprofit educational institution in
6 this state, when purchased for use by a student enrolled in
7 such course of instruction at the public or private nonprofit
8 educational institution.

9 *b.* For purposes of this subsection:

10 (1) "*Educational institution*" means the same as defined in
11 section 423.3, subsection 17.

12 (2) "*Instructional materials*" means books, textbooks, and
13 other course materials, whether in printed form or another
14 tangible storage media.

15 EXPLANATION

16 The inclusion of this explanation does not constitute agreement with
17 the explanation's substance by the members of the general assembly.

18 This bill provides a sales tax exemption for the sale of
19 instructional materials required for a course of instruction
20 at a public or private nonprofit educational institution in
21 this state, when purchased for use by a student enrolled in
22 such course of instruction at the public or private nonprofit
23 educational institution. "Educational institution" and
24 "instructional materials" are defined in the bill.

25 By operation of Code section 423.6, an item exempt from the
26 imposition of the sales tax is also exempt from the use tax
27 imposed in Code section 423.5.